



Retail Research

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LIFE WATER (LWSABAH | 5328)

Last Price: RM1.04 | Technical Call: **BUY** | Target Price: RM1.20

LIFE WATER BERHAD, D, KL
EMA (21, close, 0)
EMA (50, close, 0)
Volume (20)



Bursa Code: LWSABAH, 5328	Support 1: RM1.00	Entry: RM1.00–1.04
Sector: Consumer	Support 2: RM0.95	Target: RM1.10, RM1.20
Market Cap: RM492mil	Resistance 1: RM1.10	Exit: RM0.94
Shariah Compliant: Yes	Resistance 2: RM1.20	

Company Profile. Life Water is a leading beverage manufacturer in Sabah, Malaysia, specialising in drinking water and carbonated drinks under brands such as K2, Sasa, Sabah Water, 2more, and TRITONiC. Supported by 3 production plants and in-house packaging and delivery operations, the group also offers contract manufacturing for private labels. With over 22 years of proven expertise, Life Water commands about 11% of Malaysia’s bottled water market and a distribution network of over 4,000 touchpoints. The group’s annual production capacity stands at 448mil litres for drinking water and 37mil litres for carbonated drinks.

Growth Strategies. (i) Expanding capacity to drive volume growth, with annual bottled-water output set to more than double by FY27 — enhancing operational leverage and meeting rising demand across core markets. (ii) Expanding regionally and diversifying products by entering Sarawak, Brunei, and adjacent underserved markets through distributor partnerships, while broadening into higher-value segments such as flavoured beverages and condiments via acquisitions. (iii) Enhancing margins through vertical integration and cost optimisation — producing in-house PET preforms to reduce packaging costs, leveraging defensive demand in Sabah arising from municipal water infrastructure gaps, and increasing exposure to higher-margin flavoured drinks.

Financial Performance. In 4QFY25, Life Water posted higher revenue of RM44.5mil (+3.3% QoQ) and PAT of RM9mil (+40% QoQ), primarily driven by higher selling prices of drinking water, the reinvestment allowance claimed on capital expenditure for the Keningau Plant, and the addition of a new drinking water line at Sandakan Sibuga Plant 1.

Valuation. Life Water is trading at an FY26F P/E of 13x, below the Bursa Consumer Index’s 1-year forward P/E of 17x. In comparison, Spritzer — which produces natural mineral water, carbonated flavoured water, distilled water, and drinking water — trades at a higher FY26F P/E of 17x.

Technical Analysis. Life Water may rise further after breaking above the RM1.00 resistance and hitting a new all-time high a few sessions ago. Given that the 21-day and 50-day EMAs are trending higher, the uptrend may continue in the near term. A bullish bias may emerge above the RM1.00 level, with stop-loss set at RM0.94, below the 21-day EMA. Towards the upside, near-term resistance level is seen at RM1.10, followed by RM1.20.

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